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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK****SECURITIES AND EXCHANGE COMMISSION,****Plaintiff,****-- against --****AR CAPITAL, LLC, NICHOLAS S. SCHORSCH  
and BRIAN S. BLOCK,****Defendants.****19 Civ. 6603 (AT)****ECF Case****ORDER APPOINTING DISTRIBUTION AGENT**

This matter is before the Court on Plaintiff's Motion and Memorandum of Law in Support for an Order Appointing a Distribution Agent and Authorizing Payment of Fees for Administration ("Motion"). Having considered the Motion, Memorandum and the record, and being otherwise fully advised in the premises, for good cause shown the motion is **GRANTED**.

The Court **HEREBY ORDERS** as follows:

1. Kurtzman Carson Consultants LLC ("KCC") is appointed to serve as the Distribution Agent to facilitate the development and implementation of a distribution plan and to oversee the administration and distribution of the Fair Fund in coordination with the Securities and Exchange Commission's ("Commission") staff, pursuant to the terms of a distribution plan to be approved by the Court. The Distribution Agent shall coordinate with the Court-appointed Tax Administrator to ensure that the Fair Fund, a Qualified Settlement Fund ("QSF") under Section 468B(g) of the Internal Revenue Code, and related regulations, 26 C.F.R. §§ 1.468B-1 through 5, complies with all related legal and regulatory requirements, including but not limited to, satisfying any reporting or withholding requirements imposed on distributions from the QSF.

2. The Distribution Agent shall perform the services described in the Motion and the distribution plan to be developed in accordance with the pricing schedule and cost proposal submitted to and approved by the Commission. Such services may include, but are not limited to: distribution plan development, data management, legal notification, call center support, claims administration, disbursing payments to harmed investors, and financial reporting.

3. The Distribution Agent shall be paid reasonable fees and expenses for its services and such fees and expenses shall be paid from the Fair Fund. The Distribution Agent shall submit invoices on a monthly or quarterly basis to the Commission. In the interests of paying the administration fees timely, and conserving resources of both the Court and Commission, the Commission is authorized to have its staff, review and approve submitted invoices that are in accordance with the April 6, 2020 cost proposal and arrange for payment of the approved fees and expenses of KCC from the Fair Fund without further application to or order from the Court. The proposed distribution plan will provide for a final accounting that will identify the payments made to KCC.


4. Once a distribution plan is approved and funds have been transferred pursuant to Court order to the Distribution Agent for distribution, the Distribution Agent will submit quarterly progress reports to the Court. When the distribution of funds has been completed, a final accounting report, in a format to be provided by Commission staff, will be submitted. Commission staff shall file the final accounting report with the Court once it has been reviewed by Commission staff and the Commission staff has determined it has no objections.

5. The Distribution Agent may be removed *sua sponte* at any time by the Court or upon motion of the Commission and replaced with a successor. In the event the Distribution Agent decides to resign, it will first give written notice to the Court and to Commission staff of such

intention, and the resignation, if permitted, will not be effective until the Court appoints a successor.

**IT IS SO ORDERED**

Dated: April 16, 2020  
New York, New York

  
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ANALISA TORRES  
United States District Judge